

ORIGINAL

MEMORANDUM



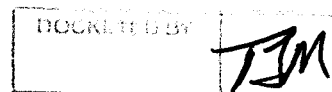
TO: Docket Control

FROM: Steven M. Olea  
Director  
Utilities Division

RECEIVED  
AZ CORP COMMISSION  
DOCKET CONTROL  
Arizona Corporation Commission  
DOCKETED

2012 DEC 19 PM 3 24

DEC 19 2012



DATE: December 19, 2012

RE: ARIZONA-AMERICAN WATER COMPANY- APPLICATION FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS ANTHEM WATER DISTRICT AND ITS SUN CITY WATER DISTRICT, AND POSSIBLE RATE CONSOLIDATION FOR ALL OF ARIZONA-AMERICAN WATER COMPANY'S DISTRICTS (DOCKET NO. W-01303A-09-0343) AND

ARIZONA-AMERICAN WATER COMPANY - APPLICATION FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS ANTHEM/AGUA FRIA WASTEWATER DISTRICT, ITS SUN CITY WASTEWATER DISTRICT AND ITS SUN CITY WEST WASTEWATER DISTRICT, AND POSSIBLE RATE CONSOLIDATION FOR ALL OF ARIZONA-AMERICAN WATER COMPANY'S DISTRICTS (DOCKET NO. SW-01303A-09-0343)

On September 10, 2012, EPCOR Water Arizona, Inc. ("EPCOR"), Anthem Community Council, Verrado Community Association, DMB White Tank LLC, Russell Ranch Homeowners' Association, Inc., the Residential Utilities Consumers Office, and the Utilities Division Staff ("Staff") filed a Joint Request for Clarification and/or Reconsideration of Winter Averaging Rates, Possible Re-opening of Decision No. 73230 Pursuant to Arizona Revised Statutes ("ARS") § 40-252 to Extend the Compliance Deadline for Winter Averaging Rates. At its Open Meeting of October 4, 2012, the Arizona Corporation Commission ("Commission") considered this request, voted to reopen Decision No. 73230 pursuant to ARS § 40-252 and extended the deadline for implementation of winter averaging rate design to June 1, 2014.

Also at the Open Meeting of October 4, 2012, Staff stated that it would file the Typical Bill Analysis ("TBA") to show the bill impacts of implementing Winter Average Rates ("WAR") on the deconsolidated rates for the Anthem and Agua Fria wastewater systems.

Under a WAR design, wastewater bills would be based on the average water consumption during three winter months, as reflected in water bills rendered in January, February, and March. The volumetric component of subsequent wastewater bills would be based on the average water use during the three month winter period, and this average winter use becomes the basis of the volumetric component of the bills rendered for the 12 month period beginning on or after the following June 1.

Staff has prepared the attached Schedules GWB-1 through GWB-4 to show the effects of the revenue transition plan approved in Decision No. 73227. (See page 32, lines 4 through 7.) These schedules show the TBAs with and without the corresponding effects of WAR on the transitional rates, as shown on Schedules GWB 1 and GWB-3. In addition, Staff has also calculated for Commission consideration the TBAs using monthly minimums at half the amounts currently authorized, as shown on Schedules GWB-2 and GWB-4.

Typical bill amounts are shown for respective usage levels. However, the amounts are not necessarily comparable from column to column because the volumetric basis used for WAR-based rates may or may not equal or even approximate the water usage in any given non-winter month.

Schedules GWB-1 and GWB-2 relate to Anthem Wastewater and Schedules GWB-3 and GWB-4 relate to Agua Fria Wastewater. Further explanation of the amounts shown in Columns [A] through [I] on the schedules are:

Column [A] – These are the amounts for water consumption used as the basis for a bill in an instant month or the volumetric basis used on a WAR basis.

Column [B] – These typical bill amounts reflect the rates currently authorized through January 1, 2014.

Column [C] – These typical bill amounts reflect the rates currently authorized through January 1, 2014, but on a WAR basis which has no limit on the billable volumetric component of the customers' bills.

Column [D] – These typical bill amounts reflect Step 1 of the revenue transition plan for the rates currently authorized from January 1, 2013, through December 31, 2013.

Column [E] – These typical bill amounts reflect Step 1 of the revenue transition plan for the rates currently authorized from January 1, 2013, through December 31, 2013, billed on a WAR basis. The effects of WAR would first appear on Step 1 bills rendered on or after June 1, 2013.

Column [F] – These typical bill amounts reflect Step 2 of the revenue transition plan for the rates currently authorized from January 1, 2014, through December 31, 2014.

Column [G] – These typical bill amounts reflect Step 2 of the revenue transition plan for the rates currently authorized from January 1, 2014, through December 31, 2014, billed on a WAR basis. The effects of WAR would first appear on Step 2 bills rendered on or after June 1, 2014.

Column [H] – These typical bill amounts reflect Step 3 of the revenue transition plan for the rates currently authorized from January 1, 2015, and beyond.

Column [I] – These typical bill amounts reflect Step 3 of the revenue transition plan for the rates currently authorized from January 1, 2015, and beyond billed on a WAR basis. The effects of WAR would first appear on Step 3 bills rendered on or after June 1, 2015.

In the event that a WAR design is implemented, Staff recommends that the following concerns be addressed:

1. If there is no usage during any of the three winter months, then the customer's bill should be based on the system average for all residential customers during the applicable period. Similarly, new customers with no history should also use the system average for all residential customers during the applicable period.
2. If there is only one water bill during the winter period, the water volume on that sole bill should be the basis of the winter average wastewater rate beginning the following June 1.
3. If there are only two water bills during the winter period, the average water volume used during those two months should be the basis of the winter average wastewater rate beginning the following June 1.
4. If any bill during any applicable winter month is for less than 25 days or more than 35 days, the daily usage shall be converted to an equivalent 30 day (or monthly) usage and this resulting equivalent shall be used as the basis of WAR for that month.
5. There shall be a mechanism to address situations where a customer believes that his/her winter water usage is abnormally high. Staff has attached a sample form that could be used by customers for this purpose (copy attached as Exhibit C).

Staff has had several discussions with the parties to this case to discuss the issues, particularly the issue of which rate design should be recommended to the Commission. Although WARs were widely discussed during this case and even approved by the Commission in its original Decision for this case (Decision No. 72047), Staff believes that at this point it would be best for the Commission to clarify that the rates it is approving are those that were approved in Decision No. 73227, i.e., the Anthem Community Council rates submitted by Mr. Dan Neidlinger (copy attached as Exhibit A).

The primary reasons for Staff's recommendation to use the Exhibit A rates are:

1. That these rates provide for a clear and orderly transition to full deconsolidation,
2. These rates are not as complicated as WAR and therefore, easier to explain to customers,
3. These rates have a cap at 7,000 gallons of water usage, thereby, eliminating the chance of extremely high bills due to excessive outdoor water use, leaks, pool filling, etc.,
4. The 7,000 gallon cap would avoid the need for EPCOR to implement a mechanism to address situations where a customer believes that his/her winter water usage is abnormally high, thereby saving EPCOR and ultimately its ratepayers what could be considerable time, effort and expense dealing with these type situations, and
5. Fewer complaints at the Commission due to high bills, saving Staff time.

#### **Conclusions and Recommendations**

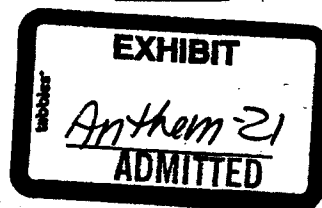
Staff recommends that the Commission clarify that it indeed authorized the rates as described in Decision No. 73227, page 32, lines 4 through 7, by approving the rates contained in attached Exhibit A.

Staff further recommends that in order to effectuate the above clarification that the Commission amend Decision No. 73227 with the language contained in attached Exhibit B

SMO:GWB:lhbm\MAS

cc: Gerald Becker

ANTHEM EXHIBIT



**ARIZONA-AMERICAN WATER COMPANY  
ANTHEM/AGUA FRIA WASTEWATER DISTRICT  
DOCKET NO. SW-01303A-09-0343**

**DECONSOLIDATION PROCEEDING  
PROPOSED WASTEWATER RATES - ANTHEM**

DESCRIPTION	PRESENT RATES	STEP 1 RATES	STEP 2 RATES	STEP 3 RATES (1)
<b>ANTHEM:</b>				
Residential:				
Monthly Usage Charge	\$39.84	\$36.56	\$33.28	\$30.00
Per 1,000 Gallons - First 7,000 Gallons	\$4.9946	\$4.5797	\$4.1649	\$3.7500
Commercial - 5/8" Meters:				
Monthly Usage Charge	\$44.48	\$39.65	\$34.83	\$30.00
Per 1,000 Gallons - First 10,000 Gallons	\$5.5760	\$4.9673	\$4.3587	\$3.7500
Commercial - 3/4" Meters:				
Monthly Usage Charge	\$66.72	\$59.48	\$52.24	\$45.00
Per 1,000 Gallons - First 15,000 Gallons	\$5.5760	\$4.9673	\$4.3587	\$3.7500
Commercial - 1" Meters:				
Monthly Usage Charge	\$89.06	\$79.39	\$69.73	\$60.06
Per 1,000 Gallons - First 15,000 Gallons	\$5.5760	\$4.9673	\$4.3587	\$3.7500
Commercial - Large:				
Monthly Usage Charge	\$178.05	\$158.73	\$139.41	\$120.09
Per 1,000 Gallons - All Gallons	\$5.5760	\$4.9673	\$4.3587	\$3.7500
Wholesale - Phoenix - Per 1,000 Gallons	\$5.5760	\$4.8573	\$4.1387	\$3.4200
Effluent - Per 1,000 Gallons	\$0.77	\$0.77	\$0.77	\$0.77

**NOTE:**

(1) Step 3 Rates are the equal to Staff and Company's proposed rates shown on Exhibit A-2.

**ARIZONA-AMERICAN WATER COMPANY  
ANTHEM/AGUA FRIA WASTEWATER DISTRICT  
DOCKET NO. SW-01303A-09-0343**

**DECONSOLIDATION PROCEEDING  
PROPOSED WASTEWATER RATES - AGUA FRIA**

DESCRIPTION	PRESENT RATES	STEP 1 RATES	STEP 2 RATES	STEP 3 RATES (1)
<b>ANTHEM: <del>AGUA FRIA</del></b>				
Residential:				
Monthly Usage Charge	\$39.84	\$48.60	\$57.36	\$66.12
Per 1,000 Gallons - First 7,000 Gallons	\$4.9946	\$5.9864	\$6.9782	\$7.9700
Commercial - 5/8" Meters:				
Monthly Usage Charge	\$44.48	\$51.69	\$58.91	\$66.12
Per 1,000 Gallons - First 10,000 Gallons	\$5.5760	\$6.3740	\$7.1720	\$7.9700
Commercial - 3/4" Meters:				
Monthly Usage Charge	\$66.72	\$77.54	\$88.36	\$99.18
Per 1,000 Gallons - First 15,000 Gallons	\$5.5760	\$6.3740	\$7.1720	\$7.9700
Commercial - 1" Meters:				
Monthly Usage Charge	\$89.06	\$103.50	\$117.95	\$132.39
Per 1,000 Gallons - First 15,000 Gallons	\$5.5760	\$6.3740	\$7.1720	\$7.9700
Commercial - Large:				
Monthly Usage Charge	\$178.05	\$206.93	\$235.80	\$264.68
Per 1,000 Gallons - All Gallons	\$5.5760	\$6.3740	\$7.1720	\$7.9700
Effluent - Per 1,000 Gallons	\$0.77	\$0.77	\$0.77	\$0.77

**NOTE:**

(1) Step 3 Rates are the equal to Staff and Company's proposed rates shown on Exhibit A-2.

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 GARY PIERCE

Chairman

3 BOB STUMP

Commissioner

4 SANDRA D. KENNEDY

Commissioner

5 PAUL NEWMAN

Commissioner

6 BRENDA BURNS

Commissioner

7  
8 IN THE MATTER OF THE APPLICATION )  
OF ARIZONA-AMERICAN WATER )  
9 COMPANY, AN ARIZONA )  
CORPORATION, FOR A )  
10 DETERMINATION OF THE CURRENT )  
FAIR VALUE OF ITS UTILITY PLANT )  
11 AND PROPERTY AND FOR INCREASES )  
IN ITS RATES AND CHARGES BASED )  
12 THEREON FOR UTILITY SERVICE BY ITS )  
ANTHEM WATER DISTRICT AND ITS )  
13 SUN CITY WATER DISTRICT )

DOCKET NO. W-01303A-09-0343

14 IN THE MATTER OF THE APPLICATION )  
OF ARIZONA-AMERICAN WATER )  
15 COMPANY, AN ARIZONA )  
CORPORATION, FOR A )  
16 DETERMINATION OF THE CURRENT )  
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17 AND PROPERTY AND FOR INCREASES )  
IN ITS RATES AND CHARGES BASED )  
18 THEREON FOR UTILITY SERVICE BY ITS )  
ANTHEM/AGUA FRIA WASTEWATER )  
19 DISTRICT, ITS SUN CITY WASTEWATER )  
DISTRICT AND ITS SUN CITY WEST )  
20 WASTEWATER DISTRICT )

DOCKET NO. SW-01303A-09-0343

**ORDER CLARIFYING**  
**DECISION NO. 73227**

DECISION NO. \_\_\_\_\_

ORDER

21  
22 Open Meeting  
January 30 and 31, 2013  
23 Phoenix, Arizona

24 BY THE COMMISSION:

25 FINDINGS OF FACT

26 1. On September 10, 2012, EPCOR Water Arizona, Inc. ("EPCOR"), Anthem  
27 Community Council ("Anthem"), Verrado Community Association ("Verrado"), DMB White  
28 Tank LLC ("DMB"), Russell Ranch Homeowners' Association, Inc. ("Russell Ranch"), the

1 Residential Utilities Consumers Office ("RUCO"), and the Utilities Division Staff ("Staff") filed a  
2 Joint Request for Clarification and/or Reconsideration (Amendment) of Decision Nos. 73227  
3 ("Deconsolidation Order"), 72047 (Original Rate Order) and 72320 (Order Extending Time to  
4 Implement Winter Average Rates). Decision No. 73227 was ambiguous as to whether the Arizona  
5 Corporation Commission ("Commission") intended to adopt the deconsolidation rate design  
6 proposed by Anthem in the Deconsolidation proceeding or the Winter Average Rate ("WAR")  
7 design adopted in Decision No. 72047; implementation of which was extended in Decision No.  
8 72320.

9       2.       At its Open Meeting of October 4, 2012, the Commission considered this request,  
10 and extended the deadline for implementation of WAR design contained in Decision No. 72320 to  
11 June 1, 2014.

12       3.       Also at the Open Meeting of October 4, 2012, the Staff was asked to file the  
13 Typical Bill Analysis ("TBA") to show the bill impacts of implementing WAR on the  
14 deconsolidated rates for the Anthem and Agua Fria wastewater systems. Under a WAR design,  
15 wastewater bills would be based on the average water consumption during three winter months, as  
16 reflected in water bills rendered in January, February, and March. The volumetric component of  
17 subsequent wastewater bills would be based on the average water use during the three month  
18 winter period, and this average winter use becomes the basis of the volumetric component of the  
19 bills rendered for the 12 month period beginning on or after the following June 1.

20       4.       Staff has prepared the attached schedules GWB-1 through GWB-4 to show the  
21 effects of the revenue transition plan approved in Decision No. 73227 (see page 32, lines 4  
22 through7). These schedules show the TBAs with and without the corresponding effects of WAR  
23 on the transitional rates, as shown on Schedules GWB 1 and GWB-3. In addition, Staff has also  
24 calculated for Commission consideration the TBAs using monthly minimums at half the amounts  
25 currently authorized, as shown on Schedules GWB-2 and GWB-4.

26       5.       Typical bill amounts are shown for respective usage levels. However, the amounts  
27 are not necessarily comparable from column to column because the volumetric basis used for  
28 WAR rates may or may not equal or even approximate the water usage in any given month.



6 Schedules GWB-1 and GWB-2 relate to Anthem Wastewater and Schedules GWB-  
3 and GWB-4 relate to Agua Fria Wastewater. Further explanation of the amounts shown in  
Columns [A] through [I] on the schedules are:

Column [A] – These are the amounts for water consumption used as the basis for a bill in  
an instant month or the volumetric basis used on a WAR basis.

Column [B] – These typical bill amounts reflect the rates currently authorized through  
January 1, 2014.

Column [C] – These typical bill amounts reflect the rates currently authorized through  
January 1, 2014, but on a WAR basis with no limits on the volumetric component of the  
customers' bills.

Column [D] – These typical bill amounts reflect Step 1 of the revenue transition plan for  
the rates currently authorized from January 1, 2013, through December 31, 2013.

Column [E] – These typical bill amounts reflect Step 1 of the revenue transition plan for  
the rates currently authorized from January 1, 2013, through December 31, 2013, billed on  
a WAR basis. The effects of WAR would first appear on Step 1 bills rendered on or after  
June 1, 2013.

Column [F] – These typical bill amounts reflect Step 2 of the revenue transition plan for the  
rates currently authorized from January 1, 2014, through December 31, 2014.

Column [G] – These typical bill amounts reflect Step 2 of the revenue transition plan for  
the rates currently authorized from January 1, 2014, through December 31, 2014, billed on  
a WAR basis. The effects of WAR would first appear on Step 2 bills rendered on or after  
June 1, 2014.

Column [H] – These typical bill amounts reflect Step 3 of the revenue transition plan for  
the rates currently authorized from January 1, 2015, and beyond.

Column [I] – These typical bill amounts reflect Step 3 of the revenue transition plan for the  
rates currently authorized from January 1, 2015, and beyond billed on a WAR basis. The  
effects of WAR would first appear on Step 3 bills rendered on or after June 1, 2015.

7. In the event that a WAR design is implemented, Staff recommends that the  
following concerns be addressed:

- a. If there is no usage during any of the three winter months, then the customer's  
bill should be based on the system average for all residential customers during  
the applicable period. Similarly, new customers with no history should also use  
the system average for all residential customers during the applicable period.

- b. If there is only one water bill during the winter period, the water volume on that sole bill should be the basis of the winter average wastewater rate beginning the following June 1.
- c. If there are only two water bills during the winter period, the average water volume used during those two months should be the basis of the winter average wastewater rate beginning the following June 1.
- d. If any bill during any applicable winter month is for less than 25 days or more than 35 days, the daily usage shall be converted to an equivalent 30 day (or monthly) usage and this resulting equivalent shall be used as the basis of WAR for that month.
- e. There shall be a mechanism to address situations where a customer believes that his/her winter water usage is abnormally high. Staff has attached a sample form that could be used by customers for this purpose (see Exhibit B).

8. Staff has had several discussions with the parties to this case to discuss the issues, particularly the issue of which rate design should be recommended to the Commission. Although WARs were widely discussed during this case and even approved by the Commission in its original Decision for this case (Decision No. 72047), Staff believes that the Deconsolidation Order (Decision No. 73227) was ambiguous on this point and that with deconsolidated districts, the Commission should clarify that the rates it is approving are those that were developed and submitted by the Anthem Community Council and its witness Mr. Dan Neidlinger (copy attached as Exhibit A) which were specifically designed for the deconsolidated Districts.

9. The primary reasons for Staff's recommendation to use the Exhibit A rates are:

- a. That these rates provide for a clear and orderly transition to full deconsolidation,
- b. These rates are not as complicated as WAR and therefore, easier to explain to customers,
- c. These residential rates have a cap at 7,000 gallons of water usage, thereby, eliminating the chance of extremely high bills due to excessive outdoor water use, leaks, pool filling, etc.,
- d. The 7,000 gallon cap would avoid the need for EPCOR to implement a mechanism to address situations where a customer believes that his/her winter water usage is abnormally high, thereby saving EPCOR what could be considerable time, effort and expense dealing with these type situations, and

1 e. Save Staff time for the same reason.

2 10. After reviewing the WAR rates developed by Staff and upon further consideration  
3 the Joint Motion and Staff's recommendation above to use Exhibit A rates (the Neidlinger rate  
4 design), the Commission clarifies that the rates contained in Exhibit A attached hereto are the  
5 authorized rates for the deconsolidated Anthem and Agua Fria Wastewater Districts. The  
6 Commission further clarifies that the WAR was not intended for use in the deconsolidated  
7 Districts and any requirements pertaining to the WAR contained in any Commission orders are  
8 superseded by the requirements of this Order.

9 **CONCLUSIONS OF LAW**

10 1. EPCOR Water Arizona, Inc. is a public service corporation with the meaning of  
11 Article XV of the Arizona Constitution Sections 40-252, 40-250, and 40-367.

12 2. The Commission has jurisdiction over EPCOR Water Arizona and the subject  
13 matter of the Joint Motion.

14 3. To the extent that the action herein is an amendment of Decision Nos. 73227  
15 pursuant to A.R.S. 40-252, notice and an opportunity to be heard has been given in the manner  
16 prescribed by law.

17 4. The Motion for Clarification and/or Reconsideration (Amendment) filed on  
18 September 10, 2012, by EPCOR, Anthem, Verrado, DMB, Russell Ranch, RUCO and Staff is In  
19 the public interest and should be granted.

20 5. The Commission clarifies that the rates contained in Exhibit A hereto (which are  
21 not based on a winter average rare design) are the authorized rates for the deconsolidated Anthem  
22 and Agua Fria Wastewater Districts.

23 6. EPCOR Water Arizona. should be directed to file revised tariffs and rates  
24 consistent with the rates contained in Exhibit A hereto.

25 **ORDER**

26 IT IS THEREFORE ORDERED that the Parties Motion for Clarification and/or  
27 Reconsideration (Amendment) is granted. The Commission clarifies that the rates contained in  
28 ...

1 Exhibit A hereto (which are not based on a winter average design) are the authorized rates for the  
2 deconsolidated Anthem and Agua Fria Wastewater Districts.

3 IT IS FURTHER ORDERED that any requirements pertaining to implementation of the  
4 Winter Average Rate design contained in any other Commission orders are superseded by the  
5 requirements contained in this Order.

6 IT IS FURTHER ORDERED that EPCOR Water Arizona is hereby directed to  
7 immediately file with the Commission within 10 days of the date of this Order a revised schedules  
8 of rates and charges consistent with Exhibit A and the findings herein.

9 IT IS FURTHER ORDERD that EPCOR Water Arizona shall notify its affected  
10 customers of the revised schedules of rates and charges authorized herein by means of an insert to  
11 its next regularly scheduled billing and by posting on its website, in a form approved by the  
12 Commission's Utilities Division Staff.

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IT IS FURTHER ORDERED that Decision No. 73227 shall remain in effect in all other respects.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

**BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

CHAIRMAN

COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,  
Executive Director of the Arizona Corporation Commission,  
have hereunto, set my hand and caused the official seal of  
this Commission to be affixed at the Capitol, in the City of  
Phoenix, this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
ERNEST G. JOHNSON  
EXECUTIVE DIRECTOR

DISSENT: \_\_\_\_\_

DISSENT: \_\_\_\_\_

SMO:GWB:lh\MAS

1 SERVICE LIST FOR: ARIZONA-AMERICAN WATER COMPANY  
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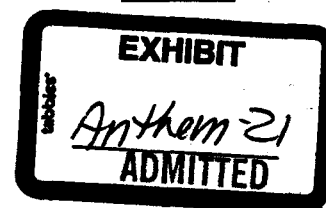
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22 Director, Utilities Division  
23 Arizona Corporation Commission  
24 1200 West Washington Street  
25 Phoenix, Arizona 85007

26 Ms. Janice M. Alward  
27 Chief Counsel, Legal Division  
28 Arizona Corporation Commission  
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Phoenix, Arizona 85007

ANTHEM EXHIBIT \_\_\_\_\_



**ARIZONA-AMERICAN WATER COMPANY  
ANTHEM/AGUA FRIA WASTEWATER DISTRICT  
DOCKET NO. SW-01303A-09-0343**

**DECONSOLIDATION PROCEEDING  
PROPOSED WASTEWATER RATES - ANTHEM**

DESCRIPTION	PRESENT RATES	STEP 1 RATES	STEP 2 RATES	STEP 3 RATES (1)
<b>ANTHEM:</b>				
Residential:				
Monthly Usage Charge	\$39.84	\$36.56	\$33.28	\$30.00
Per 1,000 Gallons - First 7,000 Gallons	\$4.9946	\$4.5797	\$4.1649	\$3.7500
Commercial - 5/8" Meters:				
Monthly Usage Charge	\$44.48	\$39.65	\$34.83	\$30.00
Per 1,000 Gallons - First 10,000 Gallons	\$5.5760	\$4.9673	\$4.3587	\$3.7500
Commercial - 3/4" Meters:				
Monthly Usage Charge	\$66.72	\$59.48	\$52.24	\$45.00
Per 1,000 Gallons - First 15,000 Gallons	\$5.5760	\$4.9673	\$4.3587	\$3.7500
Commercial - 1" Meters:				
Monthly Usage Charge	\$89.06	\$79.39	\$69.73	\$60.06
Per 1,000 Gallons - First 15,000 Gallons	\$5.5760	\$4.9673	\$4.3587	\$3.7500
Commercial - Large:				
Monthly Usage Charge	\$178.05	\$158.73	\$139.41	\$120.09
Per 1,000 Gallons - All Gallons	\$5.5760	\$4.9673	\$4.3587	\$3.7500
Wholesale - Phoenix - Per 1,000 Gallons	\$5.5760	\$4.8573	\$4.1387	\$3.4200
Effluent - Per 1,000 Gallons	\$0.77	\$0.77	\$0.77	\$0.77

**NOTE:**

(1) Step 3 Rates are the equal to Staff and Company's proposed rates shown on Exhibit A-2.



**REQUEST FOR  
WASTEWATER FEE ADJUSTMENT**

**Name on Account:(Last)** \_\_\_\_\_ **(First)** \_\_\_\_\_

**Service Address:** \_\_\_\_\_

**Account Number:** \_\_\_\_\_

**Daytime Phone Number:** \_\_\_\_\_ **Work/cell:** \_\_\_\_\_

The purpose of this form is to allow EPCOR's wastewater customers the opportunity to appeal their wastewater bill due to an unusual amount of outdoor water use experienced during the billing months of January, February and March (i.e., pool filling/repairs, water leaks, etc.). You may be eligible for a wastewater fee adjustment. Your appeal will be reviewed and upon approval your wastewater fee will be recalculated and will appear on your next bill or after the July recalculation. **This request must be submitted during the month of April.**

**LEAKS REPAIRED:**

Please include receipts of materials purchased and/or work completed during **January, February or March** and the date of the repair: \_\_\_\_/\_\_\_\_/2013

**POOL FILLED OR REPAIRS MADE:**

Please include the date the pool was filled and the number of gallons used to fill pool:

Date filled: \_\_\_\_/\_\_\_\_/2013      Gallons used: \_\_\_\_\_

Other reasons for excessive water use with all available information.

The above information is accurate to the best of my knowledge. I understand the information I provide is subject to verification, and if there are errors, I will be charged for incorrect allowances not previously billed.

**SIGNATURE:** \_\_\_\_\_  
(Customer of Record)

**DATE:** \_\_\_\_\_

Questions should be directed to EPCOR WATER, xxx-xxx-xxxx.

Steps 1, 2, and 3  
Currently Authorized and Winter Average Rates (WAR)  
Present & Proposed Rates (Without Taxes)  
Residential Service

Consumption/WAR Basis	Gallons	Currently Authorized Until Jan 1, 2014	Hypothetical WAR Until Jan 1, 2014	STEP 1 1/1/13 to 12/31/13 As Authorized	STEP 1 1/1/13 to 12/31/13 Hypothetical WAR*	STEP 2 1/1/14 to 12/31/14 As Authorized	STEP 2 1/1/14 to 12/31/14 WAR*	STEP 3 1/1/15 & beyond As Authorized	STEP 3 1/1/15 & beyond WAR*
		Rates	Rates	Rates	Rates	Rates	Rates	Rates	Rates
-		\$ 39.84	\$ 39.84	\$ 36.56	\$ 36.56	\$ 33.28	\$ 33.28	\$ 30.00	\$ 30.00
1,000		44.83	45.18	41.14	41.35	37.44	37.52	33.75	33.69
2,000		49.83	50.51	45.72	46.13	41.61	41.75	37.50	37.37
3,000		54.82	55.85	50.30	50.92	45.77	45.98	41.25	41.06
4,000		59.82	61.19	54.88	55.71	49.94	50.23	45.00	44.75
5,000		64.81	66.53	59.46	60.50	54.10	54.47	48.75	48.44
6,000		69.81	71.96	64.04	65.28	58.27	58.70	52.50	52.12
7,000		74.80	77.20	68.62	70.07	62.43	62.94	56.25	55.81
8,000		74.80	82.54	68.62	74.86	62.43	67.18	56.25	59.50
9,000		74.80	87.87	68.62	79.64	62.43	71.41	56.25	63.18
10,000		74.80	93.21	68.62	84.43	62.43	75.65	56.25	66.87
11,000		74.80	98.55	68.62	89.22	62.43	79.89	56.25	70.56
12,000		74.80	103.88	68.62	94.00	62.43	84.12	56.25	74.24
13,000		74.80	109.22	68.62	98.79	62.43	88.36	56.25	77.93
14,000		74.80	114.56	68.62	103.58	62.43	92.60	56.25	81.62
15,000		74.80	119.90	68.62	108.37	62.43	96.84	56.25	85.31
16,000		74.80	125.23	68.62	113.15	62.43	101.07	56.25	88.99
17,000		74.80	130.57	68.62	117.94	62.43	105.31	56.25	92.68
18,000		74.80	135.91	68.62	122.73	62.43	109.55	56.25	96.37
19,000		74.80	141.24	68.62	127.51	62.43	113.78	56.25	100.05
20,000		74.80	146.58	68.62	132.30	62.43	118.02	56.25	103.74
25,000		74.80	173.27	68.62	156.24	62.43	139.21	56.25	122.18
30,000		74.80	199.95	68.62	180.17	62.43	160.39	56.25	140.61
35,000		74.80	226.64	68.62	204.11	62.43	181.58	56.25	159.05
40,000		74.80	253.32	68.62	228.04	62.43	202.76	56.25	177.48
45,000		74.80	280.01	68.62	251.98	62.43	223.95	56.25	195.92
50,000		74.80	306.69	68.62	275.91	62.43	245.13	56.25	214.35
75,000		74.80	440.12	68.62	395.59	62.43	351.06	56.25	306.53
100,000		74.80	573.54	68.62	515.26	62.43	456.98	56.25	398.70

Average Usage\*\* (5814 Gallons) 68.88 70.87 63.19 64.39 57.49 57.91 51.80 51.44

Median Usage\*\* (7000 Gallons) 74.80 77.20 68.62 70.07 62.43 62.94 56.25 55.81

\* Note: The effects of WAR do not appear on the customers' bills until June 1 following the implementation date.

\*\* Average and Median Usages are based on instant gallons, not WAR amounts

**WAR WITH  
HALF OFF MONTHLY MINIMUMS**

ARIZONA AMERICAN - Anthem Wastewater  
Docket No. SW-01303A-08-0343  
Test Year Ended December 31, 2008

Schedule GWB-2

Steps 1, 2, and 3  
Currently Authorized and Winter Average Rates (WAR)  
Present & Proposed Rates (Without Taxes)  
Residential Service

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]
Gallons	Currently Authorized Until Jan 1, 2014	Hypothetical WAR Until Jan 1, 2014	STEP 1 1/1/13 to 12/31/13 As Authorized	STEP 1 1/1/13 to 12/31/13 Hypothetical WAR*	STEP 2 1/1/14 to 12/31/14 As Authorized	STEP 2 1/1/14 to 12/31/14 WAR*	STEP 3 1/1/15 & beyond As Authorized	STEP 3 1/1/15 & beyond WAR*	
Consumption/WAR Basis	Rates	Rates	Rates	Rates	Rates	Rates	Rates	Rates	
1,000	\$ 36.84	\$ 19.92	\$ 36.56	\$ 18.28	\$ 33.28	\$ 16.64	\$ 30.00	\$ 15.00	
2,000	44.83	28.86	41.14	26.37	37.44	23.89	33.75	21.40	
3,000	49.83	37.80	45.72	34.46	41.61	31.13	37.50	27.80	
4,000	54.82	46.74	50.30	42.56	45.77	38.38	41.25	34.20	
5,000	59.82	55.68	54.88	50.65	49.94	45.82	45.00	40.60	
6,000	64.81	64.62	59.46	58.74	54.10	52.67	48.75	47.00	
7,000	69.81	73.55	64.04	66.83	58.27	60.11	52.50	53.39	
8,000	74.80	82.49	68.62	74.92	62.43	67.36	56.25	59.79	
9,000	74.80	91.43	68.62	83.02	62.43	74.60	56.25	66.19	
10,000	74.80	100.37	68.62	91.11	62.43	81.85	56.25	72.59	
11,000	74.80	109.31	68.62	99.20	62.43	89.09	56.25	78.99	
12,000	74.80	118.25	68.62	107.29	62.43	96.34	56.25	85.39	
13,000	74.80	127.19	68.62	115.38	62.43	103.58	56.25	91.79	
14,000	74.80	136.13	68.62	123.48	62.43	110.83	56.25	98.19	
15,000	74.80	145.07	68.62	131.57	62.43	118.07	56.25	104.59	
16,000	74.80	154.01	68.62	139.66	62.43	125.32	56.25	110.99	
17,000	74.80	162.94	68.62	147.75	62.43	132.56	56.25	117.38	
18,000	74.80	171.88	68.62	155.84	62.43	139.81	56.25	123.78	
19,000	74.80	180.82	68.62	163.94	62.43	147.05	56.25	130.18	
20,000	74.80	189.76	68.62	172.03	62.43	154.30	56.25	136.58	
25,000	74.80	198.70	68.62	180.12	62.43	161.54	56.25	142.98	
30,000	74.80	207.64	68.62	188.21	62.43	169.68	56.25	149.38	
35,000	74.80	216.58	68.62	196.30	62.43	177.82	56.25	155.78	
40,000	74.80	225.52	68.62	204.39	62.43	185.96	56.25	162.18	
45,000	74.80	234.46	68.62	212.48	62.43	194.10	56.25	168.58	
50,000	74.80	243.40	68.62	220.57	62.43	202.24	56.25	174.98	
75,000	74.80	288.09	68.62	261.04	62.43	233.99	56.25	174.98	
100,000	74.80	332.79	68.62	301.50	62.43	270.22	56.25	206.97	
		377.48	68.62	341.96	62.43	306.44	56.25	238.97	
		422.18	68.62	382.42	62.43	342.67	56.25	270.96	
		466.87	68.62	422.88	62.43	378.89	56.25	302.96	
		511.58	68.62	463.34	62.43	415.11	56.25	334.95	
		556.29	68.62	503.80	62.43	451.33	56.25	366.94	
		601.00	68.62	544.26	62.43	487.55	56.25	398.93	
		645.71	68.62	584.72	62.43	523.77	56.25	430.92	
		690.42	68.62	625.18	62.43	560.00	56.25	462.91	
		735.13	68.62	665.64	62.43	596.22	56.25	494.90	
		779.84	68.62	706.10	62.43	632.44	56.25	526.89	
		824.55	68.62	746.56	62.43	668.66	56.25	558.88	
		869.26	68.62	787.02	62.43	704.88	56.25	590.87	
		913.97	68.62	827.48	62.43	741.10	56.25	622.86	

\* Note: The effects of WAR do not appear on the customers' bills until June 1 following the implementation date.

\*\* Average and Median Usages are based on instant gallons, not WAR amounts

Steps 1, 2, and 3  
Currently Authorized and Winter Average Rates (WAR)  
Present & Proposed Rates (Without Taxes)  
Residential Service

Gallons Consumption/WAR Basis	Currently Authorized Until Jan 1, 2014	Hypothetical WAR Until Jan 1, 2014	STEP 1 1/1/13 to 12/31/13 As Authorized	STEP 1 1/1/13 to 12/31/13 Hypothetical WAR*	STEP 2 1/1/14 to 12/31/14 As Authorized	STEP 2 1/1/14 to 12/31/14 WAR*	STEP 3 1/1/15 & beyond As Authorized	STEP 3 1/1/15 & beyond WAR*
	Rates	Rates	Rates	Rates	Rates	Rates	Rates	Rates
1,000	\$ 39.84	\$ 39.84	\$ 48.60	\$ 48.60	\$ 57.36	\$ 57.36	\$ 66.12	\$ 66.12
2,000	44.83	45.96	54.59	55.91	64.34	65.86	74.09	75.82
3,000	49.83	52.07	60.57	63.22	71.32	74.36	82.06	85.51
4,000	54.82	58.19	66.56	70.53	78.29	82.87	90.03	95.21
5,000	59.82	64.31	72.55	77.84	85.27	91.37	98.00	104.90
6,000	64.81	70.43	78.53	85.15	92.25	99.87	105.97	114.60
7,000	69.81	76.54	84.52	92.46	99.23	108.37	113.94	124.29
8,000	74.80	82.66	90.50	99.77	106.21	116.87	121.91	133.99
9,000	74.80	88.78	90.50	107.08	106.21	125.38	121.91	143.68
10,000	74.80	94.89	90.50	114.39	106.21	133.88	121.91	153.38
11,000	74.80	101.01	90.50	121.70	106.21	142.38	121.91	163.07
12,000	74.80	107.13	90.50	129.01	106.21	150.88	121.91	172.77
13,000	74.80	113.24	90.50	136.32	106.21	159.38	121.91	182.46
14,000	74.80	119.36	90.50	143.63	106.21	167.89	121.91	192.16
15,000	74.80	125.48	90.50	150.94	106.21	176.39	121.91	201.85
16,000	74.80	131.60	90.50	158.25	106.21	184.89	121.91	211.55
17,000	74.80	137.71	90.50	165.56	106.21	193.39	121.91	221.24
18,000	74.80	143.83	90.50	172.87	106.21	201.89	121.91	230.94
19,000	74.80	149.95	90.50	180.18	106.21	210.40	121.91	240.63
20,000	74.80	156.06	90.50	187.49	106.21	218.90	121.91	250.33
25,000	74.80	162.18	90.50	194.80	106.21	227.40	121.91	260.02
30,000	74.80	192.77	90.50	231.35	106.21	269.91	121.91	308.50
35,000	74.80	223.35	90.50	267.90	106.21	312.42	121.91	356.97
40,000	74.80	253.94	90.50	304.45	106.21	354.93	121.91	405.45
45,000	74.80	284.52	90.50	341.00	106.21	397.44	121.91	453.92
50,000	74.80	315.11	90.50	377.55	106.21	439.95	121.91	502.40
75,000	74.80	345.69	90.50	414.10	106.21	482.46	121.91	550.87
100,000	74.80	498.62	90.50	566.85	106.21	695.01	121.91	793.25
	74.80	651.54	90.50	779.60	106.21	907.56	121.91	1,035.62

Average Usage\*\* (5297 Gallons) 66.30 72.24 80.31 87.32 94.32 102.40 108.34 117.47

Median Usage\*\* (7000 Gallons) 74.80 82.66 90.50 99.77 106.21 116.87 121.91 133.99

\* Note: The effects of WAR do not appear on the customers' bills until June 1 following the implementation date.

\*\* Average and Median Usages are based on instant gallons, not WAR amounts

**WAR WITH  
HALF OFF MONTHLY MINIMUMS**

ARIZONA AMERICAN - Agua Fria Wastewater  
Docket No. SW-01303A-09-0343  
Test Year Ended December 31, 2008

Schedule GWB-4

**Steps 1, 2, and 3  
Currently Authorized and Winter Average Rates (WAR)  
Present & Proposed Rates (Without Taxes)  
Residential Service**

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]
Gallons		Currently Authorized Until Jan 1, 2014	Hypothetical WAR Until Jan 1, 2014	STEP 1 1/1/13 to 12/31/13 As Authorized	STEP 1 1/1/13 to 12/31/13 Hypothetical WAR*	STEP 2 1/1/14 to 12/31/14 As Authorized	STEP 2 1/1/14 to 12/31/14 WAR*	STEP 3 1/1/15 & beyond As Authorized	STEP 3 1/1/15 & beyond WAR*
Consumption/WAR Basis		Rates	Rates	Rates	Rates	Rates	Rates	Rates	Rates
1,000		\$ 39.84	\$ 19.92	\$ 48.60	\$ 24.30	\$ 57.36	\$ 28.68	\$ 66.12	\$ 33.06
2,000		44.83	30.36	54.59	36.89	64.34	43.41	74.09	49.94
3,000		49.83	40.81	60.57	49.48	71.32	58.14	82.06	66.81
4,000		54.82	51.25	66.56	62.06	78.29	72.88	90.03	83.69
5,000		59.82	61.70	72.55	74.65	85.27	87.61	98.00	100.56
6,000		64.81	72.14	78.53	87.24	92.25	102.34	105.97	117.44
7,000		69.81	82.58	84.52	99.83	99.23	117.07	113.94	134.31
8,000		74.80	93.03	90.50	112.42	106.21	131.80	121.91	151.19
9,000		79.80	103.47	90.50	125.00	106.21	146.54	121.91	168.06
10,000		84.80	113.92	90.50	137.59	106.21	161.27	121.91	184.94
11,000		89.80	124.36	90.50	150.18	106.21	176.00	121.91	201.81
12,000		94.80	134.80	90.50	162.77	106.21	190.73	121.91	218.69
13,000		99.80	145.25	90.50	175.36	106.21	205.46	121.91	235.56
14,000		104.80	155.69	90.50	187.94	106.21	220.20	121.91	252.44
15,000		109.80	166.14	90.50	200.53	106.21	234.93	121.91	269.31
16,000		114.80	176.58	90.50	213.12	106.21	249.66	121.91	286.19
17,000		119.80	187.02	90.50	225.71	106.21	264.39	121.91	303.06
18,000		124.80	197.47	90.50	238.30	106.21	279.12	121.91	319.94
19,000		129.80	207.91	90.50	250.88	106.21	293.86	121.91	336.81
20,000		134.80	218.36	90.50	263.47	106.21	308.59	121.91	353.69
25,000		174.80	228.80	90.50	276.06	106.21	323.32	121.91	370.56
30,000		214.80	281.02	90.50	339.00	106.21	396.98	121.91	454.94
35,000		254.80	333.24	90.50	401.94	106.21	470.64	121.91	539.31
40,000		294.80	385.46	90.50	464.88	106.21	544.30	121.91	623.69
45,000		334.80	437.68	90.50	527.82	106.21	617.96	121.91	708.06
50,000		374.80	489.90	90.50	590.76	106.21	691.62	121.91	792.44
75,000		714.80	542.12	90.50	653.70	106.21	765.28	121.91	876.81
100,000		954.80	803.22	90.50	968.40	106.21	1,133.58	121.91	1,298.69
		1,064.32	1,064.32	90.50	1,283.10	106.21	1,501.88	121.91	1,720.56

Average Usage\*\* (5297 Gallons) 66.30 75.24 80.31 90.98 94.32 106.72 108.34 122.45

Median Usage\*\* (7000 Gallons) 74.80 93.03 90.50 112.42 106.21 131.80 121.91 151.19

\* Note: The effects of WAR do not appear on the customers' bills until June 1 following the implementation date.

\*\* Average and Median Usages are based on instant gallons, not WAR amounts

**REQUEST FOR  
WASTEWATER FEE ADJUSTMENT**

**Name on Account:**(Last) \_\_\_\_\_ (First) \_\_\_\_\_

**Service Address:** \_\_\_\_\_

**Account Number:** \_\_\_\_\_

**Daytime Phone Number:** \_\_\_\_\_ **Work/cell:** \_\_\_\_\_

The purpose of this form is to allow EPCOR's wastewater customers the opportunity to appeal their wastewater bill due to an unusual amount of outdoor water use experienced during the billing months of **January, February and March** (i.e., pool filling/repairs, water leaks, etc.). You may be eligible for a wastewater fee adjustment. Your appeal will be reviewed and upon approval your wastewater fee will be recalculated and will appear on your next bill or after the July recalculation. **This request must be submitted during the month of April.**

**LEAKS REPAIRED:**

Please include receipts of materials purchased and/or work completed during **January, February or March** and the date of the repair: \_\_\_\_/\_\_\_\_/2013

**POOL FILLED OR REPAIRS MADE:**

Please include the date the pool was filled and the number of gallons used to fill pool:

Date filled: \_\_\_\_/\_\_\_\_/2013      Gallons used: \_\_\_\_\_

Other reasons for excessive water use with all available information.

The above information is accurate to the best of my knowledge. I understand the information I provide is subject to verification, and if there are errors, I will be charged for incorrect allowances not previously billed.

**SIGNATURE:** \_\_\_\_\_  
(Customer of Record)

**DATE:** \_\_\_\_\_

Questions should be directed to EPCOR WATER, xxx-xxx-xxxx.

Steps 1, 2, and 3  
Currently Authorized and Winter Average Rates (WAR)  
Present & Proposed Rates (Without Taxes)  
Residential Service

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Gallons	Currently Authorized Until Jan 1, 2014	Hypothetical WAR Until Jan 1, 2014	STEP 1 1/1/13 to 12/31/13 As Authorized	STEP 1 1/1/13 to 12/31/13 Hypothetical WAR*	STEP 2 1/1/14 to 12/31/14 As Authorized	STEP 2 1/1/14 to 12/31/14 WAR*	STEP 3 1/1/15 & beyond As Authorized	STEP 3 1/1/15 & beyond WAR*	
Consumption/WAR Basis	Rates	Rates	Rates	Rates	Rates	Rates	Rates	Rates	
1,000	39.84	39.84	36.56	36.56	33.28	33.28	30.00	30.00	
2,000	44.83	45.18	41.14	41.35	37.44	37.52	33.75	33.69	
3,000	49.83	50.51	45.72	46.13	41.61	41.75	37.50	37.37	
4,000	54.82	55.85	50.30	50.92	45.77	45.99	41.25	41.06	
5,000	59.82	61.19	54.88	55.71	49.94	50.23	45.00	44.75	
6,000	64.81	66.53	59.46	60.50	54.10	54.47	48.75	48.44	
7,000	69.81	71.86	64.04	65.28	58.27	58.70	52.50	52.12	
8,000	74.80	77.20	68.62	70.07	62.43	62.94	56.25	55.81	
9,000	79.80	82.54	73.20	74.86	66.58	67.18	60.00	59.50	
10,000	84.80	87.87	77.77	79.64	70.73	71.41	63.75	63.18	
11,000	89.80	93.21	82.34	84.43	74.88	75.55	67.50	66.87	
12,000	94.80	98.55	86.92	89.22	79.03	79.89	71.25	70.56	
13,000	99.80	103.88	91.50	94.00	83.18	84.12	75.00	74.24	
14,000	104.80	109.22	96.08	98.79	87.33	88.36	78.75	77.93	
15,000	109.80	114.56	100.66	103.58	91.48	92.60	82.50	81.62	
16,000	114.80	119.90	105.24	108.37	95.63	96.84	86.25	85.31	
17,000	119.80	125.23	109.82	113.15	99.78	101.07	90.00	88.99	
18,000	124.80	130.57	114.40	117.94	103.93	105.31	93.75	92.68	
19,000	129.80	135.91	118.98	122.73	108.08	109.55	97.50	96.37	
20,000	134.80	141.24	123.56	127.51	112.23	113.78	101.25	100.05	
25,000	144.80	146.58	133.14	132.30	121.81	118.02	110.00	103.74	
30,000	154.80	151.92	142.72	137.08	131.39	122.26	118.75	112.42	
35,000	164.80	157.26	152.30	141.86	140.97	126.70	127.50	117.10	
40,000	174.80	162.60	161.88	146.64	150.55	131.12	136.25	121.78	
45,000	184.80	167.94	171.46	151.42	160.13	135.50	145.00	126.46	
50,000	194.80	173.28	181.04	156.20	169.71	140.00	153.75	131.14	
55,000	204.80	178.62	190.62	160.98	179.29	144.75	162.50	135.82	
60,000	214.80	183.96	200.20	165.76	188.87	149.50	171.25	140.50	
75,000	234.80	199.20	220.16	180.17	208.80	164.25	191.25	155.25	
100,000	274.80	233.54	260.16	220.17	248.80	204.25	231.25	195.25	

Average Usage\*\* (5814 Gallons) 68.88 70.87 63.19 64.39 57.49 57.91 51.80 51.44

Median Usage\*\* (7000 Gallons) 74.80 77.20 68.62 70.07 62.43 62.94 56.25 55.81

\* Note: The effects of WAR do not appear on the customers' bills until June 1 following the implementation date.

\*\* Average and Median Usages are based on instant gallons, not WAR amounts

WAR WITH  
HALF OFF MONTHLY MINIMUMS

ARIZONA AMERICAN - Anthem Wastewater  
Docket No. SW-01303A-09-0343  
Test Year Ended December 31, 2008

Schedule GWB-2

Steps 1, 2, and 3  
Currently Authorized and Winter Average Rates (WAR)  
Present & Proposed Rates (Without Taxes)  
Residential Service

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]
Gallons	Currently Authorized Until Jan 1, 2014	Hypothetical WAR Until Jan 1, 2014	STEP 1 1/1/13 to 12/31/13 As Authorized	STEP 1 1/1/13 to 12/31/13 Hypothetical WAR*	STEP 2 1/1/14 to 12/31/14 As Authorized	STEP 2 1/1/14 to 12/31/14 WAR*	STEP 3 1/1/15 & beyond As Authorized	STEP 3 1/1/15 & beyond WAR*	
Consumption/WAR Basis	Rates	Rates	Rates	Rates	Rates	Rates	Rates	Rates	
1,000	39.84	19.92	36.56	18.28	33.28	16.64	30.00	15.00	
2,000	44.83	28.86	41.14	26.37	37.44	23.89	33.75	21.40	
3,000	49.83	37.80	45.72	34.46	41.61	31.13	37.50	27.80	
4,000	54.82	46.74	50.30	42.56	45.77	38.38	41.25	34.20	
5,000	59.82	55.68	54.88	50.65	49.94	45.62	45.00	40.60	
6,000	64.81	64.62	59.46	58.74	54.10	52.87	48.75	47.00	
7,000	69.81	73.55	64.04	66.83	58.27	60.11	52.50	53.99	
8,000	74.80	82.49	68.62	74.92	62.43	67.36	56.25	59.79	
9,000	74.80	91.43	68.62	83.02	62.43	74.60	56.25	66.19	
10,000	74.80	100.37	68.62	91.11	62.43	81.85	56.25	72.59	
11,000	74.80	109.31	68.62	99.20	62.43	89.09	56.25	78.99	
12,000	74.80	118.25	68.62	107.29	62.43	96.34	56.25	85.39	
13,000	74.80	127.19	68.62	115.38	62.43	103.58	56.25	91.79	
14,000	74.80	136.13	68.62	123.48	62.43	110.83	56.25	98.19	
15,000	74.80	145.07	68.62	131.57	62.43	118.07	56.25	104.59	
16,000	74.80	154.01	68.62	139.66	62.43	125.32	56.25	110.99	
17,000	74.80	162.94	68.62	147.75	62.43	132.56	56.25	117.38	
18,000	74.80	171.88	68.62	155.84	62.43	139.81	56.25	123.78	
19,000	74.80	180.82	68.62	163.94	62.43	147.05	56.25	130.18	
20,000	74.80	189.76	68.62	172.03	62.43	154.30	56.25	136.58	
25,000	74.80	198.70	68.62	180.12	62.43	161.54	56.25	142.98	
30,000	74.80	207.64	68.62	220.58	62.43	197.77	56.25	174.98	
35,000	74.80	288.09	68.62	261.04	62.43	233.98	56.25	206.97	
40,000	74.80	332.79	68.62	301.50	62.43	270.22	56.25	238.97	
45,000	74.80	377.48	68.62	341.96	62.43	306.44	56.25	270.96	
50,000	74.80	422.18	68.62	382.42	62.43	342.67	56.25	302.96	
55,000	74.80	466.87	68.62	422.88	62.43	378.89	56.25	334.95	
60,000	74.80	511.56	68.62	463.34	62.43	415.11	56.25	366.94	
100,000	74.80	913.82	68.62	827.48	62.43	741.14	56.25	654.90	

Average Usage\*\* (5814 Gallons) 68.88 71.89 63.19 65.33 57.49 58.76 51.80 52.20

Median Usage\*\* (7000 Gallons) 74.80 82.49 68.62 74.92 62.43 67.36 56.25 59.79

\* Note: The effects of WAR do not appear on the customers' bills until June 1 following the implementation date.

\*\* Average and Median Usages are based on instant gallons, not WAR amounts



Steps 1, 2, and 3  
Currently Authorized and Winter Average Rates (WAR)  
Present & Proposed Rates (Without Taxes)  
Residential Service

Gallons Consumption/WAR Basis	[A] Currently Authorized Until Jan 1, 2014		[B] Hypothetical WAR Until Jan 1, 2014		[C] STEP 1 1/1/13 to 12/31/13 As Authorized		[D] STEP 1 1/1/13 to 12/31/13 Hypothetical WAR*		[E] STEP 2 1/1/14 to 12/31/14 As Authorized		[F] STEP 2 1/1/14 to 12/31/14 WAR*		[G] STEP 3 1/1/15 & beyond As Authorized		[H] STEP 3 1/1/15 & beyond WAR*	
	Rates		Rates		Rates		Rates		Rates		Rates		Rates		Rates	
1,000	39.84	\$	39.84	\$	48.60	\$	48.60	\$	57.36	\$	57.36	\$	66.12	\$	66.12	\$
2,000	44.83		45.96		54.59		55.91		64.34		65.66		74.09		75.82	
3,000	49.83		52.07		60.57		63.22		71.32		74.36		82.06		85.51	
4,000	54.82		58.19		66.56		70.53		78.29		82.87		90.03		95.21	
5,000	59.82		64.31		72.55		77.84		85.27		91.37		98.00		104.90	
6,000	64.81		70.43		78.53		85.15		92.25		99.87		105.97		114.60	
7,000	69.81		76.54		84.52		92.46		99.23		108.37		113.94		124.29	
8,000	74.80		82.66		90.50		99.77		106.21		116.87		121.91		133.99	
9,000	79.80		88.78		95.50		107.08		106.21		125.38		121.91		143.88	
10,000	84.80		94.89		101.01		114.39		106.21		133.88		121.91		153.38	
11,000	89.80		101.01		107.13		121.70		106.21		142.38		121.91		163.07	
12,000	94.80		107.13		113.24		129.01		106.21		150.88		121.91		172.77	
13,000	99.80		113.24		119.36		136.32		106.21		159.38		121.91		182.46	
14,000	104.80		119.36		125.48		143.63		106.21		167.89		121.91		192.16	
15,000	109.80		125.48		131.60		150.94		106.21		176.39		121.91		201.85	
16,000	114.80		131.60		137.71		158.25		106.21		184.89		121.91		211.55	
17,000	119.80		137.71		143.83		165.56		106.21		193.39		121.91		221.24	
18,000	124.80		143.83		149.95		172.87		106.21		201.89		121.91		230.94	
19,000	129.80		149.95		156.06		180.18		106.21		210.40		121.91		240.63	
20,000	134.80		156.06		162.18		187.49		106.21		218.90		121.91		250.33	
25,000	149.80		182.18		192.77		194.80		106.21		227.40		121.91		260.02	
30,000	164.80		208.35		208.35		208.35		106.21		235.90		121.91		269.71	
35,000	179.80		223.35		223.35		223.35		106.21		244.40		121.91		279.40	
40,000	194.80		238.35		238.35		238.35		106.21		252.90		121.91		289.10	
45,000	209.80		253.35		253.35		253.35		106.21		261.40		121.91		298.80	
50,000	224.80		268.35		268.35		268.35		106.21		269.90		121.91		308.50	
55,000	239.80		283.35		283.35		283.35		106.21		278.40		121.91		318.20	
60,000	254.80		298.35		298.35		298.35		106.21		286.90		121.91		327.90	
65,000	269.80		313.35		313.35		313.35		106.21		295.40		121.91		337.60	
70,000	284.80		328.35		328.35		328.35		106.21		303.90		121.91		347.30	
75,000	299.80		343.35		343.35		343.35		106.21		312.40		121.91		357.00	
80,000	314.80		358.35		358.35		358.35		106.21		320.90		121.91		366.70	
85,000	329.80		373.35		373.35		373.35		106.21		329.40		121.91		376.40	
90,000	344.80		388.35		388.35		388.35		106.21		337.90		121.91		386.10	
95,000	359.80		403.35		403.35		403.35		106.21		346.40		121.91		395.80	
100,000	374.80		418.35		418.35		418.35		106.21		354.90		121.91		405.50	
Average Usage** (3287 Gallons)	66.30		72.24		80.31		87.32		94.32		102.40		108.34		117.47	
Median Usage** (7000 Gallons)	74.80		82.66		90.50		99.77		106.21		116.87		121.91		133.99	

\* Note: The effects of WAR do not appear on the customers' bills until June 1 following the implementation date.

\*\* Average and Median Usages are based on instant gallons, not WAR amounts

WAR WITH  
HALF OFF MONTHLY MINIMUMS

Steps 1, 2, and 3  
Currently Authorized and Winter Average Rates (WAR)  
Present & Proposed Rates (Without Taxes)  
Residential Service

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]
Gallons									
Consumption/WAR Basis	Currently Authorized Until Jan 1, 2014	Hypothetical WAR Until Jan 1, 2014	STEP 1 1/1/13 to 12/31/13 As Authorized	STEP 1 1/1/13 to 12/31/13 Hypothetical WAR*	STEP 2 1/1/14 to 12/31/14 As Authorized	STEP 2 1/1/14 to 12/31/14 WAR*	STEP 3 1/1/15 & beyond As Authorized	STEP 3 1/1/15 & beyond WAR*	
	Rates	Rates	Rates	Rates	Rates	Rates	Rates	Rates	
1,000	39.84	19.92	48.60	24.30	57.36	28.68	66.12	33.06	
2,000	44.83	30.36	54.59	36.89	64.34	43.41	74.09	49.94	
3,000	49.83	40.81	60.57	49.48	71.32	58.14	82.06	66.81	
4,000	54.82	51.25	66.56	62.06	78.29	72.88	90.03	83.69	
5,000	59.82	61.70	72.55	74.65	85.27	87.61	98.00	100.56	
6,000	64.81	72.14	78.53	87.24	92.25	102.34	105.97	117.44	
7,000	69.81	82.58	84.52	99.83	99.23	117.07	113.94	134.31	
8,000	74.80	93.03	90.50	112.42	106.21	131.80	121.91	151.19	
9,000	74.80	103.47	90.50	125.00	106.21	146.54	121.91	168.06	
10,000	74.80	113.92	90.50	137.59	106.21	161.27	121.91	184.94	
11,000	74.80	124.36	90.50	150.18	106.21	176.00	121.91	201.81	
12,000	74.80	134.80	90.50	162.77	106.21	190.73	121.91	218.69	
13,000	74.80	145.25	90.50	175.36	106.21	205.46	121.91	235.56	
14,000	74.80	155.69	90.50	187.94	106.21	220.20	121.91	252.44	
15,000	74.80	166.14	90.50	200.53	106.21	234.93	121.91	269.31	
16,000	74.80	176.58	90.50	213.12	106.21	249.66	121.91	286.19	
17,000	74.80	187.02	90.50	225.71	106.21	264.39	121.91	303.06	
18,000	74.80	197.47	90.50	238.30	106.21	279.12	121.91	319.94	
19,000	74.80	207.91	90.50	250.88	106.21	293.86	121.91	336.81	
20,000	74.80	218.36	90.50	263.47	106.21	308.59	121.91	353.69	
25,000	74.80	228.80	90.50	276.06	106.21	323.32	121.91	370.56	
30,000	74.80	281.02	90.50	339.00	106.21	396.98	121.91	454.94	
35,000	74.80	333.24	90.50	401.94	106.21	470.64	121.91	539.31	
40,000	74.80	385.46	90.50	464.88	106.21	544.30	121.91	623.69	
45,000	74.80	437.68	90.50	527.82	106.21	617.96	121.91	708.06	
50,000	74.80	489.90	90.50	590.76	106.21	691.62	121.91	792.44	
75,000	74.80	542.12	90.50	653.70	106.21	765.28	121.91	876.81	
100,000	74.80	603.22	90.50	968.40	106.21	1,133.58	121.91	1,298.69	
		1,064.32	90.50	1,283.10	106.21	1,501.86	121.91	1,720.56	

Average Usage\*\* (5297 Gallons) 66.30 75.24 80.31 90.98 94.32 106.72 108.34 122.45

Median Usage\*\* (7000 Gallons) 74.80 93.03 90.50 112.42 106.21 131.80 121.91 151.19

\* Note: The effects of WAR do not appear on the customers' bills until June 1 following the implementation date.

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